

Instructor's Manual

Chapter 2: The History and Development of CRM

Chapter Overview

A better and more thorough understanding of CRM can be achieved if one understands its history and development. The roots of CRM are varied: philosophical, technological, functional, and organizational. The chapter's first section investigates CRM's roots and discusses how each played a role in its creation.

Relationship marketing, with its focus on building relationships as opposed to generating one-time transactions, and its underlying tenet that customer retention was one of the primary determinants of company profitability, was an underlying force leading to CRM. Relationship building inherent in B2B and industrial marketing was emulated by CRM in the B2C environment. Services marketing, with its focus on improving service quality, and marketing research, with its measures of customer satisfaction regarding service quality, both contributed to CRM. Companies in a variety of industries began to adopt direct-response marketers' use of one-to-one marketing with great success. Relational databases allowing for customer data integration, and the proliferation of personal computers to analyze the data, meant that those closest to the customer could act on their own findings. MRP, SAP, and ERP were forces leading to CRM, because of their focus on and use of databases. Rising costs of promotional campaign development and media buys led to campaign management tools—an important segment of CRM. Sales force automation tools were developed to improve sales force productivity and documentation but are increasingly used to strengthen relationships and improve satisfaction. Telemarketing centers gave way to customer contact centers, and when CCCs took on customer service and support application functions, we had what many call the first CRM initiatives. With consumers today using a variety of touch points in their relationships with companies, it becomes important for companies to collect and manage this information and use it as a resource in strengthening bonds with their customers.

After discussing the roots of CRM, the chapter investigates the many reasons why CRM was developed and accepted when it was. Reasons include competitive differentiation, eroding effectiveness of traditional marketing methods, consumer time pressure, and multichannel usage. With the number of high quality competitors in every industry and their ability to copy and improve upon any innovation quickly, one of the few proven ways companies have to keep customers is through the creation of loyalty. Strong bonds can prevent attrition and cannot be quickly copied by competitors. Also, strong bonds enable companies to maintain their base with increasingly harried customers in the face of media, promotion, and channel proliferation.

How have organizations fared with CRM systems? Have they met with success, failure, or somewhere in between? Since many, if not the majority of users, did not establish goals and objectives for their CRM initiatives, it is difficult to tell. Further, the returns from CRM suites are more difficult to ascertain than the returns from single-function systems. While some research shows that half or more of all CRM projects have been disappointing, other research has shown that the majority of companies experienced gains of over 50 percent. The one thing that is certain is that organizations face many challenges in implementing CRM.

How can the many barriers to CRM implementation be overcome? Studies show that the real barriers are not related as much to technology as they are to corporate culture, employee attitude, organizational structure, and lack of a strategic plan for the CRM system. The latter includes lack of quantifiable goals and objectives, poor integration with business unit strategies and tactics, and lack of effectiveness metrics.

The chapter then explores the many ways in which these barriers can be overcome. A relationship marketing philosophy needs to be adopted across all functional areas; the benefits of CRM must be communicated throughout; and top executive support must be obtained and maintained throughout development. A business analysis, including costs and payback, must precede the selection of any CRM technology solution; and business strategies must drive its development rather than the technology driving the strategies. There must be integration between IT and line managers. Integration must also characterize separate CRM “quick results” when CRM is introduced incrementally. Customer data must be collected from all touch points,

upgraded continuously, and made available to those who may benefit from it. Finally, success metrics must be established to assess the effectiveness of the CRM effort.

In addition to the preceding strategic issues, one cannot forget more tactical things leading to CRM effectiveness. These include effective use of the information collected from the customer contact centers; capably analyzing customer data in order to define and differentiate customer segments on the basis of value; and selection of a CRM technology solution that considers legacy systems but is not simply focused on the features desired by an influential department.

Even though CRM is a relatively new field, the meaning of CRM has been extended well beyond a firm's customers to include channel members, members of the supply chain, and all partners the firm interacts with (partner relationship management).

Objectives

- Understand the roots of CRM
- Understand the forces behind the development of CRM at this point in time
- Be exposed to the conflicting assessment regarding firms experiences with CRM— success or failure?
- Understand the various challenges in creating a CRM system
- Understand the steps that organizations can take to remove the barriers from successful implementation and use of their CRM system
- Understand the expansion of the CRM concept to include channel members, supply chain members, and partners

Chapter/Lecture Outline

2.1 The Origins of CRM

There are many different views as to what led to CRM as we know it today.

1. Relationship Marketing

With its focus on customer relationships as opposed to one-time transactions, relationship marketing has been viewed as a paradigm shift that has reshaped the field of marketing. The forces that drove marketers to focus on customer and partner relationships included:

- a. Technological advances in information technology, which enabled companies to record details from every transaction and enter into a dialogue with customers.
- b. Growth of direct marketing, which enabled companies to enter into one-to-one relationships with their customers
- c. Marketing academicians and business consultants who recognized that customer retention was the key to corporate profitability.

While many equate relationship marketing with CRM, it should be kept in mind that CRM may identify customers and customer segments that a company may not want to establish relationships with; for example, those who are unprofitable. Relationship marketing focuses on those you do want to maintain relationships with.

2. Marketing Research

Some feel CRM had its origins in marketing research's customer satisfaction studies, which led to companies' quests to continuously improve quality through total quality management (TQM) techniques.

3. B2B Relationships

High-contact services markets rely on productive relationships between vendors and purchasers. The strengthening of relationships in B2B markets was seen as having

potential in B2C markets. This became possible through advances in information technology.

4. Materials Resource Planning, SAP, and Enterprise Resource Planning

In the mid-1980s MRP was introduced and companies began to construct customer databases. In the early 1990s SAP (Systems Applications and Products in Data Processing—a company headquartered in Waldorf, Germany) began integrating traditional MRP functions with accounting, and customer data warehouses were established, which led to CRM.

5. Customer Contact Centers

In the late 1980s telemarketing technology was built into the customer call center. In the early 1990s customer service and support applications were introduced as well, leading some to say that these were the first CRM initiatives.

6. Sales Force Automation

These tools were developed and introduced to improve the capture of customer and prospect information, providing the sales force with real-time information. SFA tools were originally meant to improve sales force productivity and documentation but are increasingly used to strengthen relationships and improve satisfaction.

7. Campaign Management Tools

These were introduced to contain the growing costs associated with media buys for mass-marketing promotional campaigns. CMTs enable companies to design and coordinate (often online) promotional programs for specific retailers, forecast financial results, and measure the effectiveness of their targeted campaigns. The foundations for such tools are customer lists containing key customer characteristics and buying information.

8. The Web and Channel Integration

The majority of CRM systems started as point solutions for a single department or function. With data warehouses centralizing all databases, companies could now have a

single vision of the customer across all departments and functions. With customer data coming from all business areas, a 360-degree view of the customer is possible. Today, CRM efforts include gathering information from all customer touch points, including call centers and Internet systems.

9. Diffusion of Personal Computers and Analytical CRM

PCs enabled those closest to the customer, company divisions, to collect and analyze their own customer data rather than headquarters. They were now able to develop and assess programs and campaign performance themselves through their own data warehouses. Their customer contact personnel could also use these databases to identify the value of each customer and treat them accordingly; in other words, practice CRM.

10. Success of Direct-Response Marketing

These techniques enabled companies to target prospects and customers on a one-to-one as opposed to a mass-marketing basis. Further, companies could develop personalized communications and messages, create dialogue, and measure success.

11. Relational Databases

These made it possible for companies to identify, access, manipulate, and share customer information across departments. These contained customer transaction histories, all contacts through any channel, demographic and behavior information, and customer responses to company campaigns.

Database construction is easiest for firms that have frequent and direct customer interaction (banks) and most difficult for firms that have infrequent and indirect customer interaction (furniture manufacturers).

12. Industrial and Services Marketing

The former looked at interaction theories and relationship building, focusing on trust and commitment. The latter looked at quality, customer satisfaction, and customer retention. These are all key concepts in CRM.

2.2 CRM: Why Now?

1. The Increase in Competitors and Products

Consumers today can choose from a large number of high-quality items in every product category. When a company does innovate, its improvements are quickly copied.

Companies are creating bonds between themselves and their customers in order to better retain them, bonds created through CRM strategies fostering loyalty. Loyalty cannot be quickly copied by competitors.

2. The Erosion of Traditional Marketing Communication Methods

With hundreds of television and radio channels and over 20,000 magazines, not to mention the Internet, there is more “noise” in the marketplace today than ever before, making it difficult for companies to get their message through. With hypermarkets, boutiques, category busters, kiosks, online businesses, home shopping networks, virtual shopping centers, etc., consumers can buy from more outlets and channels than ever before. With so much information from so many different sources, some feel CRM will allow companies to cut through the chaos and establish binding relationships with their customers.

3. Changes in the Pace of Life

Consumers are demanding quicker and better service since there are more sources vying for their scarce time. Families where both spouses work and increasing hours on the job have led to less time available for shopping. Companies who have CRM systems that can help the harried consumer have a differential advantage.

4. The Internet and Multichannel Usage

Multichannel customer contact is the key to CRM strategy. Companies have to come to grips with the number of channels through which their customers wish to transact business. The more environments a company can provide, the richer its customers’ experiences are likely to be. Companies are developing multichannel contact centers (not simply call centers) to provide customers with meaningful interactions. Companies

need to maintain contact with customers in both synchronous and asynchronous manners, in both live and automated formats. Channels of communication are multiplying. The 3G and 4G mobile technologies, social media, and short message service (SMS) are replacing fixed-line telephone and personal computers as the primary communication access channels for businesses.

2.3 Organizations' Experiences with CRM

Success is difficult to determine if metrics have not been developed in advance. Some researchers have found that two thirds of all companies lacked techniques to measure the business value of CRM. A fourth could not even properly define CRM! Without performance metrics, companies' claims that CRM doesn't work must be questioned.

The returns from all-encompassing CRM systems are more difficult to determine than the returns from single-function CRM systems.

Some research studies have shown that half to 70 percent of all CRM projects have been disappointing or outright failures. Shortcomings include unmet targeted revenue goals, budgeted cost overruns, and unmet timetables.

Unsatisfactory outcomes are due to many factors, some of which are: inadequate top management support, lack of a CRM champion, inadequate financial commitment, exclusion of supply-chain partners, lack of incentives for the sales force, lack of cross-functional participation, and trying to do too much at once.

On the other hand, other studies have shown that the majority of companies experienced gains of between 51 percent and 500 percent on their CRM investment. A CRMCommunity.com survey showed nearly three fourths of all respondents rating their CRM projects as "successful" or better.

2.4 Implementing CRM and Overcoming Barriers

It has been reported that the success rate of CRM can be increased from 15 percent to 70 percent if a proper CRM strategy is adopted and CRM is “done right.” Studies across the world show that the real barriers to effective CRM implementation within companies are not related to technology; rather the real barriers appear to be corporate culture, employee attitudes, organizational structure, and the lack of a strategic plan for the CRM system. The latter includes lack of quantifiable goals and objectives, integration with business unit strategies and tactics, and lack of program metrics to measure CRM effectiveness. The fact that CRM systems interface with large numbers of stakeholders with diverse needs requires communication, integration, and foresight when establishing such systems.

Three major ways in which organizations can overcome the barriers to effective CRM implementation are through:

1. Communication

- The organization must adopt a relationship marketing philosophy. This philosophy must become imbedded in the minds of managers, departments, functions, and employees.
- The organization must detail the benefits of the CRM system to its employees and also detail what they personally will gain from it.
- The top executive must communicate his or her support at the start of the CRM initiative and maintain support throughout the development and implementation stages.

2. Integration

- Business strategies must be integrated and serve as drivers of the CRM initiative rather than the other way around.
- If separate “quick results” CRM projects are initiated, they should be coordinated and integrated into a single CRM vision.
- IT and business managers must be integrated into start-up teams and work together throughout the development of the CRM system.
- Customer data must be integrated.

3. Foresight in relating CRM functions to the tactics that drive success in their industry

- Customer contact center issues must be clearly addressed in the form of service

blueprints, hiring, training, and image maintenance.

- Product selection
- Customer analytics

1. The organization must adopt a relationship marketing philosophy across all functional areas.

- Shifting the focus from products to customers is a major challenge since product management systems are often in place, sales force incentives are based on selling products as opposed to servicing customers, and data often resides in product as opposed to customer silos.
- Marketing, sales, and engineering must act on data collected by the customer contact centers.
- Customer information must be made available to everyone who can benefit by having access to it—sometimes including those outside of the company in the distribution channel.

2. The organization must detail and communicate the benefits of a CRM orientation.

- Top management must be involved from the very beginning in setting philosophy, managing culture change, and presenting a detailed case for CRM benefits.
- Companies should consider adding support programs to assist employees during transition to CRM.
- Targeting successful employees as early adopters may give CRM efforts the credibility that drives widespread adoption.

3. Top executive support must not only be obtained but also maintained throughout CRM development.

- CRM software often fails because of inadequate support from top management. It is important that top management not become disillusioned during CRM development and not reduce the scope or not sign off on budgetary requests. Top management must expect “bumps” during CRM development.

4. Business strategies must drive CRM development rather than the other way around.

- When vendors began offering CRM suites that were geared to integrating various functional legacy systems already existing within the organization, companies often focused only on this technological integration as opposed to business strategies that should drive this integration.
- IT is a tool, but too often IT becomes the plan when CRM integration takes place. Emphasis is put on platform technology rather than on solving the problems faced by managers.
- Companies must be careful not to introduce a plethora of functional solutions to aid individual departments but that don't relate to one another.
- A CRM business plan should be developed showing how CRM features will relate to each business goal, such as increasing customer profitability, increasing numbers of items sold annually to each customer, increasing satisfaction, improving promotional response rates, etc.

5. If separate "quick results" CRM projects are being implemented as opposed to a CRM suite, then they must be integrated and functionally aligned.

- Technical integration does not guarantee performance integration. Organizations must also integrate structurally and strategically in order to have a CRM system that benefits marketing, sales, customer service, advertising, IT, and other departments.
- Recent opinions suggest that CRM systems be developed in manageable pieces as opposed to the one-shot "big bang."
- CRM complexity is due to two factors: range of usage and quantity of functions. Sequence of work should be based on cost, benefit, feasibility, and time to produce. While cost-benefit analysis can help prioritize the phasing-in of CRM functions, they must also be integrated.
- "Quick results," a term used when CRM functions are released incrementally, benefits organizations in many ways:
 - a) It combats disenchantment..
 - b) Users get to "test the water"
 - c) It avoids overload and culture shock.
 - d) Users can provide input that can help in future module development.

6. Include both IT and business unit managers in CRM start-up teams.

- IT personnel should be involved in more than just the development of CRM systems. Both IT and line managers should be responsible for providing the business case and usability requirements of the system.
- Future users of the system should also be involved throughout the development instead of just at the beginning.
- Some suggest the development of a program management office to expedite and coordinate the development of the CRM system. Its responsibility is to divide the project into manageable pieces and assign each piece to a project manager.
- Marketing and sales must direct IT in terms of what customer data to collect; how it needs to be integrated across products, channels and markets; and what modeling, forecasting, and pattern detection analysis needs to be applied to data in the data warehouse and data marts.

7. Customer data must be integrated and maintained.

Customer data integration (CDI) allows for the creation of a consolidated view of the customer from multiple customer data stores. All customer touch points are linked and data continuously upgraded. The challenges involved in CDI include: disparate databases, multiple touch points, departmental disparity, dissimilar applications, and inconsistent customer data. Poor data quality is the single greatest inhibitor to successful CRM implementation.

8. Build a business case and conduct a business analysis before deciding upon a CRM solution.

- There must be a business rationale for CRM development, including estimated costs and payback.
- A competitive analysis should be conducted, including competitors' usage of CRM.
- An option available to companies today is simply subscribing to SaaS (Software as a Service), a "hosted" CRM service—CRM software available over the Internet at a monthly fee.

9. Develop success metrics to assess the effectiveness of your CRM efforts.

- Success metrics are often the missing link in CRM systems but are necessary to serve as a scorecard against which performance can be measured. Changes in revenue, acquisition, usage, customer satisfaction, time-to-market, campaign effectiveness and margins all serve as indicators of CRM effectiveness

2.5 Developing CRM from a Tactical Perspective

1. Checklist for Customer Service Success

- The customer contact center (CCC) is the main touch point for customers. CCC personnel are the voice and ears of the organization and are able to provide management with information on product deficiencies, customers' likes and dislikes, reasons for acquisition and attrition, reactions toward new promotions and campaigns, etc.

2. Customer Analytics

- Companies must learn to use current customer databases more effectively in order to direct their offerings.
- Companies need to segment their markets and differentiate their offerings based on the value of each segment.
- Companies need to compute customer lifetime value.
- Companies need to remember that the purpose is not merely to build large customer databases but rather to build customer relationships.

3. Product Selection

- The organizations' goals should drive which CRM technology solution to purchase.
- If the CRM technology solution does not consider existing legacy systems, then it may never be used.
- The selection of a CRM technology solution cannot be based simply on features desired by a single user or department.
- CRM technology need not be expensive. Companies can spend as little as \$250 for a system that will manage contacts, leads, referrals and opportunities. With

SaaS, companies can avoid huge up-front costs and simply pay a monthly fee for those using the system.

2.6 Extending the Meaning and Application of CRM

A more expansive notion of CRM includes more constituencies than merely customers. The customer focus of CRM has been extended to include all members of the channel who might find it beneficial to collaborate. CRM can benefit each member within the supply chain, including equipment manufacturers, raw material suppliers, wholesalers, retail stores, industrial suppliers, household customers, and industrial customers.

CRM systems are valuable for vertically aligned networks (VANS) as well as value-added partnerships (VAPS), where independent companies work closely together to manage the flow of goods and services along the supply chain.

CRM has been expanded to include all partners that the company interacts with and is called partner relationship management (PRM).

Questions

1. Some say the origins of CRM are in the concept of relationship marketing. Describe the concept of relationship marketing.

Relationship marketing focuses on maintaining a continuous relationship with customers and building long-term bonds. Over time, a company learns more and more about the customer's needs and wants and is therefore able to provide more personalized and relevant one-to-one service. Relationship marketing, with its focus on customer relationships as opposed to one-time transactions, has been viewed as a paradigm shift that has reshaped the entire field of marketing. There are paybacks for both the company and its customers in such relationships, and consequently marketers' focus on relationships is expected to be very long-term.

2. What were the forces that drove marketers to begin to focus so intently on customer relationships?

There were many forces that drove marketers to focus so intently on customer (and partner) relationships. First, technological advances in information technology made relationship marketing feasible by enabling companies to record details from every transaction and enter into a dialogue with their customers. Second, the large-scale growth of direct marketing enabled more and more companies to enter into one-to-one relationships with their customers. Third, marketing academicians pointed out that acquiring customers was only the first stage in the marketing process and that more attention needed to be paid to retaining customers and improving service performance. Finally, consultants such as Reichheld and those at McKinsey wrote a number of very influential articles stating that customer retention was the key to corporate profitability and that downward migration was even a greater cause of company losses.

3. What led to CRM as we know it today (i.e., what are the roots of CRM)?

In addition to marketers' focus on relationships, additional roots of CRM include:

- Customer satisfaction studies done by marketing researchers
- Extension of the productive relationships apparent in the B2B environment
- Extension of technology implementation beginning with MRP and SAP
- Improvements to company call centers
- Sales force automation tools that captured customer and prospect information
- Campaign management tools to contain excessive mass-marketing costs
- Channel integration techniques geared to gathering customer information from all touch points
- Diffusion of personal computers enabling any individual to analyze customer information
- Success of direct-response marketing such as direct mail, toll-free calling, and e-mail
- Relational databases that made it possible for companies to identify, access, manipulate, and share customer information across departments.
- Industrial and services marketing, with their focus on interaction theories and relationship building

4. Mass-marketing techniques worked well for nearly three-quarters of a century. What caused current organizations to change their focus to one-to-one or CRM?

Most would agree that there were two forces at work that caused the change: 1. advancements in computer and information technology, and 2. a substantial change in the business environment. Enterprise resource planning (ERP) initiatives of the 1990s showed that it was possible for all divisions in a company to work within one business system—with \$300 billion spent by companies to centralize, standardize, and organize information. During the ERP initiatives, customer information became centralized. Middleware enabled companies to integrate disparate customer databases. Companies began using information technology, in the form of the database and analytical procedures, enabling them to profile individual customers from the acquisition stage through the retention stages.

In addition, there was a confluence of business environmental factors that led companies to develop CRM initiatives. It was getting harder for companies to differentiate themselves through their products and brands alone, so companies looked to differentiate themselves by creating close bonds with their customers. The media was also becoming fractionalized, making it harder to reach mass markets. The pace of life has quickened and more women are in the labor force, leading to less time for shopping and greater reliance on quicker and better service. Finally, the Internet and multichannel opportunities for gathering information, shopping, and buying have led companies to develop multichannel customer contact—a key CRM strategy.

5. Have organizations experienced success or failure with CRM systems?

Numerous studies have indicated that less than half of all companies are satisfied with their CRM systems. Targeted revenue goals, for example, are not often achieved. Budgeted costs are generally exceeded, as are development timetables. When CRM systems are finally up and running, companies are often dissatisfied with their performance. It should be pointed out, however, that most companies have gone into CRM efforts without clearly stated goals and objectives, making their assessments of CRM failure somewhat specious. More recent studies have indicated that many CRM systems have

performed admirably, with companies like Charles Schwab recouping their costs much more quickly than expected.

6. What major challenges do companies encounter when trying to implement a CRM system?

The real barriers to a smooth CRM introduction appear to be corporate culture, employee attitudes, organizational structure and the lack of a strategic plan for the CRM system as opposed to technology, the need to replace or integrate existing systems, or the amount of time involved in establish the new CRM system. In addition, CRM systems interface with a larger group of stakeholders with more diverse needs than most other business systems, making it more difficult for organizations to effect the many cultural, psychological, and structural changes needed for successful CRM implementation.

Executives worry about payback, salespeople are skeptical of having to learn yet another system, managers worry about managing their business during the implementation phase, and customers worry about privacy.

7. Although still very young, the field of CRM is already being extended both in meaning and practice. How so?

A more expansive notion of CRM includes more constituencies than merely customers. It includes all members of the channel—suppliers, distributors, facilitating agencies, wholesalers, retail stores, household and industrial customers, etc. CRM is applicable to all members in a vertically aligned network or value-added partnership.

The CRM concept has been expanded to include all partners that the company interacts with and is called partner relationship management (PRM).

Exercises

1. Conduct research on the concept of relationship marketing, and discuss how it has changed the focus of marketers and the field of marketing itself. Compare and contrast

the differences between customer-centric marketing and product-brand-oriented marketing.

Have students look at the table of contents and glossaries of marketing texts prior to 1985 and those written after 2005. Note that the former lack any mentions of relationship marketing while the latter focus on it as well as CRM. The article by Grönroos and the article by Berry on relationship marketing highlight the differences between product-brand-oriented marketing and customer-centric marketing.

2. Conduct research on the two major corporate-wide systems of the 1990s: materials resource planning and enterprise resource planning. Compare and contrast them with today's CRM systems. Which systems are likely to remain viable over the long term?
MRP: materials resource planning is an early version of ERP. MRP focuses on production planning and inventory systems in order to manage manufacturing processes.

ERP: automates a company's system integration. It manages information for finance/accounting, manufacturing, inventories, marketing, sales, and CRM. The combination and integration of accounting with MRP led to customer data warehouses. The customer data could be continuously supplemented with information on demographics, behavior, transaction history, company contacts, etc. Now CRM was established.

MRP has been expanded and become part of ERP, which is the long-term trend for MRP systems. CRM systems will continue to exist either as part of ERP or, for small and mid-sized companies, as systems by themselves.

3. Research relational databases and determine why they advanced companies' ability to integrate customer information.

Relational databases are accumulated computer-based data that is arranged to facilitate retrieval, making it possible for companies to identify, access, manipulate, and share

customer information across departments. A relational structure integrates data across multiple tables based on data already existing in the tables. This made it possible for departments traditionally “siloed” to share information and create a full view of the customer.

4. Contact a company you have a relationship with via multichannels. Contact a competitor in the same industry using the same query and decide which has the better CRM system.

Companies perform this exercise all the time to compare their customer service capabilities with their competitors. Have students do the following for two competing companies in the same industry:

- Send out inquiries by mail and time the response along with its quality
- Make a phone call to each and time how long it takes to reach the appropriate party and get the answer to your query
- Do the same using an Internet query

During any of these processes, did either of the companies try to cross-sell you or upsell you anything? Did either of the companies expose you to any promotions or offers?

5. Through research, find an example of a company experiencing success in developing and using their CRM system. Find a company experiencing failure. Compare and contrast the differences in implementation of the two systems.

The purpose of this question is to emphasize in real-life terms what needs to be done to install a successful CRM system within a company. Students should examine the following for both companies:

- Were benefits of the CRM system communicated to everyone?
- Did top management support the undertaking?
- Did IT as well as business strategists work together?

- Was there a business case with business strategies developed in advance of CRM installation?
- Were quick-results projects implemented along the way or did the company wait for an all-encompassing system?
- Was there a CRM champion?

6. Through research, find a company or companies that have been able to develop close relationships with their customers via CRM systems. Are their experiences applicable to other companies?

General perceptions are that there are a number of companies exhibiting excellent CRM relationship building with their customers. Examples include American Express, Lands' End, L.L. Bean, Burberry, and Dusit Thani Hotel, among others. Their experiences are applicable to others since these companies cover a wide array of industries.

7. Research examples of companies that have successfully extended their CRM systems to include channel members or partners.

Partner relationship management is often necessary for companies not having their own direct sales force and needing to work with manufacturers' reps or other selling middlemen to get, maintain, and manage leads. However, there are many other examples of PRM. For example, Carnival Cruise Lines needs to coordinate efforts with travel agents since they account for the sales of over 80 percent of their cabins. Carnival thus needs to maintain a CRM system for their customers as well as a PRM system for their travel agents. Mary Kay needs to maintain a PRM system to help their selling agents manage their customer accounts.